

SENATE BILL NO. 426

INTRODUCED BY J. BALYEAT

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4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE TREASURE STATE TAXPAYER DIVIDEND
5 PROGRAM; ALLOWING TAXPAYERS A REFUND OF SURPLUS STATE GOVERNMENT REVENUE FUND
6 BALANCE THROUGH AN INCOME TAX CREDIT; AND PROVIDING THAT THE TAX CREDIT IS BASED UPON
7 THE RELATIVE AMOUNTS OF ALL PROPERTY TAXES PAID ON A CLAIMANT'S PRINCIPAL RESIDENCE
8 AND UPON THE AMOUNT OF INDIVIDUAL INCOME TAXES THAT HAD BEEN PAID BY THE CLAIMANT;
9 PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA;
10 AND PROVIDING AN EFFECTIVE DATE."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 NEW SECTION. Section 1. Tax credits based on surplus state revenue FUND BALANCE -- property
15 tax -- income tax. (1) (a) The department of administration shall certify to the budget director, by August 1 of
16 each year, the amount of unaudited general fund ~~revenue received~~ BALANCE in the prior fiscal year as recorded
17 when the prior fiscal year statewide accounting, budgeting, and human resource system records are closed in
18 July. General fund ~~revenue~~ BALANCE is as recorded in the statewide accounting, budgeting, and human resource
19 system using generally accepted accounting principles in accordance with 17-1-102(2). Tax credits are allowed
20 under this section if the unaudited general fund ~~revenue received~~ BALANCE in the fiscal year exceeds ~~406%~~ 125%
21 of the budgeted general fund BALANCE for that fiscal year, ~~including the specified general fund ending fund~~
22 ~~balance and supplemental appropriations less anticipated general fund reversions~~ [and if the tax rate specified
23 in 15-6-138(3)(a)(ii) has been in effect for at least 1 tax year]. TAX CREDITS ARE NOT ALLOWED UNDER THIS SECTION
24 UNLESS THE EXCESS BALANCE IS AT LEAST \$5 MILLION. One-half of the amount in excess of ~~406%~~ 125% must be
25 distributed in the form of individual income tax credits related to the property taxes paid on the taxpayer's principal
26 residence and related to the taxpayer's individual income tax paid.

27 (b) There is a credit against taxes imposed by this chapter equal to the amount determined under
28 subsection (2).

29 (2) (a) If a tax credit is allowed under subsection (1)(a), the department shall ~~divide~~ DETERMINE THE
30 PERCENTAGE BY DIVIDING the amount of the excess ~~revenue~~ BALANCE by the amounts of the total collections that

1 are attributable to statewide property tax collections and individual income tax collections FROM MONTANA
 2 RESIDENTS.

3 (b) The property tax share of the excess ~~revenue~~ BALANCE must be reimbursed to property taxpayers
 4 based upon an amount ~~that is a percentage~~ of each taxpayer's property taxes on the taxpayer's principal
 5 residence for the property tax year beginning in the taxpayer's income tax year. To determine the ~~percentage~~
 6 AMOUNT, the department shall ~~divide the property tax share of available excess revenue~~ MULTIPLY THE PERCENTAGE
 7 DETERMINED IN SUBSECTION (2)(A) by total property tax collections actually received and attributable to principal
 8 residences for the property tax year that ended on December 31 of the year before the previous calendar year.

9 (c) The income tax share of the excess ~~revenue~~ BALANCE must be distributed to taxpayers as a credit
 10 under this chapter based upon an amount ~~that is a percentage of the amount the~~ EACH taxpayer paid pursuant
 11 to 15-30-2103 in the immediately preceding tax year on Montana source income. To determine the ~~percentage~~
 12 AMOUNT, the department shall ~~divide the income tax share of available excess revenue~~ MULTIPLY THE PERCENTAGE
 13 DETERMINED IN SUBSECTION (2)(A) by total income tax collections actually received and attributable to the tax year
 14 that ended in the calendar year before the previous calendar year.

15 (3) Only one claim may be made with respect to any property.

16 (4) A claim is not allowed under this section if there are delinquent property taxes owed on the principal
 17 residence.

18 (5) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the excess
 19 must be refunded to the claimant. The credit may be claimed even if the claimant has no income that is taxable
 20 under this chapter.

21 (6) The department may adopt rules to implement and administer this section.

22 (7) As used in this section, "principal residence" means a class four residential dwelling that is a
 23 single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home that is
 24 occupied by the owner for at least 7 months during the tax year and as much of the surrounding land, not
 25 exceeding 5 acres, as is reasonably necessary for its use as a dwelling.

26 (8) THIS SECTION MAY BE CITED AS THE "TREASURE STATE TAXPAYER DIVIDEND PROGRAM".

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 28 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
 29 integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].

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